



**SPECIAL MEETING OF THE
TEMPLE CITY COUNCIL**

MUNICIPAL BUILDING

CITY COUNCIL CHAMBERS – 2ND FLOOR

2 NORTH MAIN STREET

TEMPLE, TX

FRIDAY, AUGUST 12, 2011

4:00 P.M.

AGENDA

I. CALL TO ORDER

1. Invocation
2. Pledge of Allegiance

II. BUDGET ITEMS

3. PUBLIC HEARING – Conduct the first of two public hearings to receive comments on the [proposed tax rate](#) of \$0.5679 per \$100 valuation for fiscal year 2012 (2011 tax year), and announce meeting to adopt the proposed tax rate on September 1, 2011.

***The City Council reserves the right to discuss any items in executive (closed) session
whenever permitted by the Texas Open Meetings Act.***

I hereby certify that a true and correct copy of this Notice of Meeting was posted in a public place at 9:12 AM on August 4, 2011.

Clydette Entzminger
Clydette Entzminger
City Secretary

I certify that this Notice of Meeting Agenda was removed by me from the outside bulletin board in front of the City Municipal Building on _____ day of _____ 2011.



COUNCIL AGENDA ITEM MEMORANDUM

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Regular Agenda
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DEPT./DIVISION SUBMISSION & REVIEW:

David Blackburn, City Manager
Traci L. Barnard, Director of Finance

ITEM DESCRIPTION: PUBLIC HEARING – Conduct the first of two public hearings to receive comments on the proposed tax rate of \$0.5679 per \$100 valuation for fiscal year 2012 (2011 tax year), and announce meeting to adopt the proposed tax rate on September 1, 2011.

STAFF RECOMMENDATION: Conduct a public hearing but no action is required.

ITEM SUMMARY: At the August 4, 2011 regular meeting, Council discussed the proposed tax rate of 56.79 cents per \$100 valuation and adopted a resolution scheduling the adoption of the proposed tax rate for September 1, 2011, and setting public hearings for August 12, 2011 and August 18, 2011 on the proposed tax rate for FY 2011-2012. Following this action, the publication of a “Notice of Public Hearing on Tax Increase” occurred on August 5th and the “Notice of Tax Revenue Increase” will occur on August 13th and 19th. The proposed meeting dates and publication schedules comply with the Truth-In-Taxation requirements set forth by State Law and the City Charter.

The FY 2011-2012 budget was prepared with a preliminary total tax rate of 56.79 cents per \$100 valuation and a preliminary tax base of \$3,339,664,110 (estimated 4.30% increase from prior year). The preliminary tax rate was based on the FY 2011 rate of 56.79 cents.

On July 18, 2011, the Chief Appraiser certified the tax roll of \$3,311,259,863 (a 3.41% increase from prior year). On July 18, 2011, the Chief Appraiser calculated a final effective tax rate of 55.71 cents. Changes in the tax rate components as compared to the preliminary budget filed June 24, 2011 are as follows:

Comparing proposed tax rate of 56.79 cents to the *preliminary* rate of 56.79 cents as proposed in the budget filed on June 24, 2011:

	PRELIMINARY FY 2012	PROPOSED FY 2012	Increase (Decrease)	Effective Tax Rate	% FY 2012 > ETR
Proposed Tax Rate					
M&O (Maintenance & Operation)	\$ 0.3262	\$ 0.3240	\$ (0.0022)		
I&S (Interest & Sinking - Debt)	0.2417	0.2439	0.0022		
	<u>\$ 0.5679</u>	<u>\$ 0.5679</u>	<u>\$ 0.0000</u>	\$ 0.5571	<u>1.94%</u>

No change in the proposed tax rate; an adjustment of the certified taxable value (\$3,311,259,863) from the preliminary taxable value (\$3,339,664,110); and a decrease in the frozen tax levy to \$1,686,806 from a preliminary levy of \$1,692,169 will result in a net decrease to the M&O revenue by \$158,270 as compared to the preliminary budget filed on June 24, 2011.

Comparing the proposed tax rate of 56.79 cents to the *current FY 2011 adopted* tax rate of 56.79 cents:

	FY 2011	PROPOSED FY 2012	Increase (Decrease)
Proposed Tax Rate			
M&O (Maintenance & Operation)	\$ 0.3300	\$ 0.3240	\$ (0.0060)
I&S (Interest & Sinking - Debt)	0.2379	0.2439	0.0060
	<u>\$ 0.5679</u>	<u>\$ 0.5679</u>	<u>\$ -</u>

Example 1 – Annual Property Tax - \$100,000 Taxable Value:

With the proposed tax rate of 56.79 cents per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would not change if there was no change in taxable value from the prior year. If a homeowner with a taxable value of \$100,000 in 2011 experienced an increase in taxable value of .81% (average increase in appraised value), the annual property tax would increase by \$4.60.

Example 2 – Annual Property Tax - Average Taxable Value for City of Temple:

The preceding tax year's average taxable value of a residence homestead in Temple was \$94,590. In the current tax year, the average taxable value a residence homestead in Temple is \$95,535. With the proposed tax rate of 56.79 cents per \$100 valuation, there would be an annual increase of \$5.36 in taxes.

FISCAL IMPACT:

Changes from the preliminary tax rate and base used to calculate the filed budget on June 24, 2011 to the proposed rate with the certified tax roll as presented August 12, 2011 are as follows:

	Filed Budget 6/24/11	Proposed Budget 8/12/11	Increase/ (Decrease)
Tax Base*	\$3,339,664,110	\$3,311,259,863	(\$28,404,247)
Tax Rate:			
M&O	32.62¢	32.40¢	(0.22¢)
I&S	24.17¢	24.39¢	0.22¢
Total Tax Rate	56.79¢	56.79¢	0.00¢
Tax Levy:			
M&O	\$9,795,845	\$9,641,339	(\$154,506)
Frozen Taxes	1,692,169	1,686,806	(5,363)
I&S	7,258,295	7,257,786	(509)
Total Tax Levy*	\$18,746,309	\$18,585,931	(\$160,378)
Budget w/M&O at 99% Collection	\$18,631,429	\$18,472,650	(\$158,779)

*Excludes Reinvestment Zone No. 1

General Fund:

Explanation of Changes from Filed Budget to Proposed Budget @ 8/4/2011:

^A Revenue Changes:

Required adjustment from preliminary to certified roll	\$ (158,270)
Total Revenue Changes	\$ (158,270)

^B Expenditure Changes:

Police budget changes for operational items - correction	\$ (17,835)
Operational expenses related to new Fire Fighter positions - correction	25,293
Increase to Compensation Contingency to include Regular Part-Time positions with benefits	23,600
City Secretary position	(28,747)
Net change to Council Contingency	(56,859)
Decrease Seal Coating Program	(103,722)
Total Expenditures Changes	\$ (158,270)
Net Revenue Over (Under) Expenditures	\$ -

Debt Service Fund:

Explanation of Changes from Filed Budget to Proposed Budget @ 8/4/2011:

^A Revenue Changes:

Required adjustment from preliminary to certified roll	\$ (509)
Increased line item for penalty and interest (offset for property tax adjustment)	509
Total Revenue Changes	\$ -

^B Expenditure Changes:

Total Expenditures Changes	\$ -
Net Revenue Over (Under) Expenditures	\$ -

ATTACHMENTS:

[Historical Tax Rate Information](#)

CITY OF TEMPLE, TEXAS
ADOPTED TAX RATE VS. EFFECTIVE TAX RATE

Fiscal Year	Adopted Tax Rate			Effective Tax Rate	Adopted Rate v. Effective Tax Rate	
	I & S	M & O	Total		\$	%
2002	\$0.2445	\$0.3520	\$0.5965	\$0.5792	0.0173	2.99%
2003	0.2620	0.3273	0.5893	0.5722	0.0171	2.99%
2004	0.2537	0.3510	0.6047	0.5972	0.0075	1.26%
2005	0.2349	0.3674	0.6023	0.5731	0.0292	5.10%
2006	0.2199	0.3546	0.5745	0.5579	0.0166	2.98%
2007	0.2339	0.3395	0.5734	0.5568	0.0166	2.98%
2008	0.2289	0.3392	0.5681	0.5516	0.0165	2.99%
2009	0.2273	0.3322	0.5595	0.5433	0.0162	2.98%
2010	0.2473	0.3173	0.5646	0.5511	0.0135	2.45%
2011	0.2379	0.3300	0.5679	0.5742	-0.0063	-1.10%
2012 ¹	0.2439	0.3240	0.5679	0.5571	0.0108	1.94%

¹ - PROPOSED Tax Rate